VZCZCXRO0519 RR RUEHAG RUEHDF RUEHIK RUEHLZ RUEHROV DE RUEHSM #1922/01 3421623 ZNR UUUUU ZZH R 081623Z DEC 06 FM AMEMBASSY STOCKHOLM TO RUEHC/SECSTATE WASHDC 1478 INFO RUCNMEM/EU MEMBER STATES COLLECTIVE RUEHBJ/AMEMBASSY BEIJING 1021 RUEHBY/AMEMBASSY CANBERRA 0688 RUEHKU/AMEMBASSY KUWAIT 0276 RUEHMO/AMEMBASSY MOSCOW 1192 RUEHNE/AMEMBASSY NEW DELHI 0115 RUEHNY/AMEMBASSY OSLO 2346 RUEHOT/AMEMBASSY OTTAWA 2152 RUEHRH/AMEMBASSY RIYADH 0093 RUEHKO/AMEMBASSY TOKYO 0723 RUEHWL/AMEMBASSY WELLINGTON 0120 RUCPDOC/DEPT OF COMMERCE WASHINGTON DC RHEBAAA/DEPT OF ENERGY WASHDC RHEHNSC/NSC WASHDC RHEHAAA/THE WHITE HOUSE WASHDC RUEHBS/USEU BRUSSELS RUCNDT/USMISSION USUN NEW YORK 0229 RUEATRS/DEPT OF TREASURY WASHDC RUEAIIA/CIA WASHDC

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SUBJECT: SWEDEN'S GOALS FOR POST-KYOTO CLIMATE COOPERATION

- 11. Summary: Ambassador Wood met with Sweden's new Minister of Environment, Mr. Andreas Carlgren, for the first time December 6. Topics of discussion included Sweden's desire to play a leadership role in setting the stage for a post-Kyoto international agreement to combat global warming, Ambassador Wood's initiative to partner with Sweden on achieving a technological breakthrough on alternative energy, and Minister Carlgren's upcoming trip to the United States (January 7-13, Washington D.C., Sacramento, and Los Angeles). End summary.
- $\P 2$. Ambassador Wood began the meeting by holding up an article on climate change that had appeared that morning in one of Sweden's two major daily newspapers. The article, based on a report released in November in the U.S. by the "Earth Policy Institute," named the United States and China as the world's two largest emitters of greenhouse gases, voiced suspicion that the "real numbers" for China were probably higher than reported, and concluded that China would do nothing to reduce its emissions without the United States leading the way. Ambassador Wood used the article as a point of departure for detailing why the United States was unable to support Kyoto, and describing what we are doing to combat global warming. Ambassador Wood highlighted that the U.S. is contributing more resources than any other country in pursuit of developing alternative/clean energy technologies, and is the single largest contributor to climate research. The Ambassador stated that his and U.S. Embassy Stockholm's "One Big Thing" initiative - to support collaboration with Sweden to achieve a technological breakthrough on alternative energy, had the support of President Bush.

Sweden's assessment of the Nairobi Climate Conference

^{13.} Minister Carlgren told Ambassador Wood that he had led Sweden's delegation to the recently-concluded UN Climate Conference in Nairobi. Ambassador Wood asked for his impressions and evaluation of the event. Carlgren reported that Sweden had played a key role in some of the discussions towards the end of the meeting, and that he had consequently "learned how difficult it will be" to pull China, India,

Brazil, and Saudi Arabia towards cooperation on reducing emissions. "The problem (in this area) is not just with the U.S. " Carlgren said. Carlgren characterized the conference as "successful" - although he had hoped participants would be able to accomplish more. Among the successes, he named the agreement to conduct a comprehensive review of Kyoto by the end of 2008, in time, Carlgren stated, for Sweden to begin focusing on what will follow Kyoto, when Sweden assumes the EU Presidency in 2009. Carlgren stated that, given the threat posed by global warming as outlined in the Stearn Report and others, countries have to work together to find a solution -- "there has to be a solution post-Kyoto."

Moving beyond Kyoto - Sweden wants to help lead

14. In the spirit of beginning to grapple with the issue of "what next," Minister Carlgren informed Ambassador that Sweden intends to host a conference in June 2007 in the Swedish Arctic (Kiruna, tentative dates: June 11-14) which will build on a 2005 conference hosted by Denmark in Greenland (U.S. reportedly participated), and continued in Capetown in 2006 (U.S. did not participate). Sweden wants to invite 25 countries from Europe and elsewhere that "will have a role to play in the post-Kyoto system." Carlgren invited the United States, through Ambassador Wood, to participate, and stated that Sweden intends to send out formal invitations within the next few weeks. Carlgren stated that invited states would be expected to participate at the minister level (exceptions to be made only for the United States, China, and India). Carlgren stated that the conference would be "very informal," would involve think tanks, and would be aimed at producing a short document describing a post-Kyoto solution.

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"No one will have to take a formal, official postion," Carlgren said. "We're just looking at how to go forward." Ambassador Wood replied that he would be very interested in attending and would consult with Washington regarding who, given the conference's focus, would most appropriately lead the U.S. delegation. (Note: Ambassador Wood recommends that, given the high level of participation, the U.S. should send the highest level representative possible. Ambassador Wood suggests Undersecretary for Democracy and Global Affairs Paula Dobriansky head USDel.)

Collaborating with Sweden on the "One Big Thing"

15. With regard to pursuing a technological solution to global warming, Minister Carlgren asked Ambassador Wood how Swedish reaction to his "One Big Thing" initiative has been. Ambassador noted that there was skepticism from Swedish contacts at first, but that this was being replaced by enthusiasm. Ambassador noted that we have much to contribute to and learn from each other, stating that he had been surprised to learn that Sweden's first ethanol factory was built in 1908, and that 15 percent of all of Sweden's gas stations sell ethanol (compared with half a percent of U.S. gas stations). Ambassador Wood stated that President Bush would like to see 20 percent of U.S. gas stations selling ethanol in the mid-term. Ambassador Wood described Post's plans to serve as a match-maker between U.S. and Swedish researchers and scientists, as well as between businesses and investors. He also discussed plans to establish a Fulbright Scholarship in support of alternative energy research and an award for an innovator who is successful at brining a promising new energy technology to market. Carlgren expressed appreciation and support for the Ambassador's initiative and asked us to keep in mind opportunities for Sweden's Environment Ministry to support the initiative.

Minister Carlgren's January 7-13 Trip to U.S.

16. Minister Carlgren and his staff are in the process of planning his upcoming trip to the United States. Current plans are for him to spend two days in Washington, one day in Sacramento, and one day in Los Angeles. Given our mutual

interest in biofuels and clean energy, Ambassador suggested that it would be very worthwhile for Minister Carlgren to try and meet with DOE Assistant Secretary for Energy Efficiency and Renewable Energy, Andy Karsner. Ambassador Wood also offered to assist with helping to arrange additional appointments in Washington. Post will follow up with Washington-based offices and agencies as we learn additional details from Minister Carlgren and his staff. At the conclusion of his time in Washington, Carlgren will travel with a delegation of ten Swedish companies to participate in programs related to energy efficiency, sustainable cities, and biogas. These are primarily areas of interest identified in a MOU between Sweden and the State of California signed in Stockholm in June of 2006.

Comment

17. Ambassador Wood got off to a very good start with Sweden's new Minister for Environment. Minister Carlgren was impressed by the Ambassador's "One Big Thing" initiative, and grateful for the offer of help with his upcoming trip to the U.S. Minister Carlgren also appeared to take to heart the Ambassador's explanation of why the U.S. found it impossible to support the Kyoto Protocol and his frank advice that, if we are to have meaningful international cooperation on global warming in the future, we need to get past finger-pointing/wagging, and look for opportunities to engage in meaningful activities that work.